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THE WEEK IN REVIEW
Sunday, November 21, 1975

## oney atters



Personal Perceptions Becloud the Dismal Science

## Keynes and Freud Meet In the Free Market

| Economic man is not playing by the rule book again <br> That is not very suprising, because he seidom has <br> All the same, it is awkward for professional econo mists when the laws of .'the dismal science' are flouted on the scale they have been in the recen recession, for it suggests psychologists may know more about the path to prosperity or other, less inviting, places in the economic landscape than gentlemen with slide rules. <br> The evidence is substantial: <br> - High inflation has gone hand in hand with high unemployment, although for years eronopists have clamed there was an invirse relationship betweeo inflation and unemployment. <br> - Despite rapid indation, thie man in the street has been hanking more money than ever before. apparently ohifious to the fact that its value is neiting away, wfile the price of tangible goocls is zising- <br> - Businessmen did not cut prices wben demand for their goods fell, as theory says they shoult. laying off workers. Rather, they pusbed up wages and priced more men out of jobs. <br> Although Lord Keynes, the economic mentor of the times, believed governments could boost demand by pumping money into the economy, record budget deficits (the result of Keynesian policies) throughout the industrial world have produced only |
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- Even the iree market has proved a disappoint-
ment Adam Smith. the father of llassical economic
theory called it the nent Adam Smith, the father of classical economic
theory calide it the invisibie hand" that would
secure the welfare of all. But a cartel of oil exportsecure the welfare of all. But a cartel of oil export-
ina countries have ergabbed mosto of the chips on the
table, and tere seems to he nothing that can be
oione about it. oione about it
Yet as Prof. Walier W. Rostow of the Unitersity
of Texas says, none of this would seem so disconcerting to to economists if this would seem so discon-
economic history. For this is not the more economic histont, For this is not had feat more
world has experienced "stagflation," the combine the world has experienced "stagflation." the combination
of high unemployment and high inilation. Mr. Ros-
tow finds regular occurrences of stagflation in tow finds reapuar occurrences of stagetlation in 10 1sth-
century and loch-century Europe. when harvests century and 19hh-century Europe. when harvests
failed. food prices shoo up and industry slunped
because pecpie had less money left to buy other gooos.
Moreover, these earlier episodes of stagflation
were weirdly similar to our own for on each occa. sion rising raw material prices were on maijor ocause
of the trable, altbough this time oil as of the trauble, altbough this time oil as well as
grain was the villain. The reacion of ordinary people then was similar.
as well. Those /who could also tencied to hoard liguld funds. In 19th-contury yritain Profesessor RosEnjland had to rescue country hands, just ass the
tederal Reserve Board and other centra boos Federal Reserve Eoard and other central baoks
throughout the worid have bcen balina vet struegl. throughout the worid have been bazing oet strugs-
ing hanks during the past fevv jears. Dr. George Katona of the University of Michigan, tionomics," does not find this supprisingo even
though stockpiling goods might seem tn maka better scnse than saving minancy. His studies of the behavio: of the American consumer since the end
of Worid War II show that only twice, in 1950 at - the outset of the Korean War and again in $197 T^{2}$ i, did he react to inflation or other uncertainties by
hoarding goods. At ocher times, be just saved nuore
money.
The explenation, in his view; is that most con-
sumers reve rich enough to make discretionary pur-
chases. In times of unceraing the normal rection
is to huy fewer unnecessary thinss and accumulate
money for essentalas. The same phenomenon prob-
ahly 0 ocurred in earlier ages, though on $e$ smaller
scale, because fewer people eojoped sucb affluence.
Siniluar explansuions could be offerse for the other
 relior. Bustinessmen and workers hate alwases beeo
reduce the price of whet they sell.
 Even despots bistoricaliy nave been unable to stop
merchants irom forcing up prices, either by hoardmercbants irom forcing un prices, either by hoard-
ing scare goods or witholding these is plentiful
fuply from the market As toi wase raies, Lord
 on the assumption ithat workers could never price on the assumption itiat workers could neeer price
thenselves bakk into jobs at timesoo reession by
lowering their rate of hire. He knex: that wage lowering their rate oi hire. He kner: that wage
rates tad not fallen in Britan durin the orati
depression of the $1930^{\prime}$, aithough millions were out of work.
If workers
would not work ici less when times If workers would not work icr less when times
were had. Lord Kennes sugges led. zoveraments
 have tried to preserve high employment ever since.
But even this so-called "Reynesian Revalution" may But even this so-called "Keymesian Revalution" may.
not he so new. For when the monarclis of meesieval
Europe lacked the means to buila castles or fight Europe lacked the means to build castles or fight
wars, hoth ways of creating joos at the uine, they Kepased the coinage, widich was lietle different from Neither is there any ching very undsual about the emergence of the oili-producers' cartal tin the last
three years. Free markets may uniceed maximize inthree years, Free narkets may neceed maximize in-
dividuai weltare in the end, but in oractice sovernments and individuals have found the lure of mono.
poty imposisioic to resisi. The tow $f$ s si the Hanseatio poly imposisibic to resisi. The bwas of the tanseazic
 salt and tobuc: : trade. z"ery spetulator still dreams The truth is that while ecorionic best books may
 in pactice. All sorts of cther freters enter into the
equation, on the natural level as well as the poc-: sonal. The real springs of eccincmic action often
seem buried in the mysteries of $\frac{\text { seem buried in the mysties o: the psthe: }}{\text { Paul Lewis is a New York Tines }}$ veporter who


## Rich, Poor Nations: All in Trouble


money supply and to rigiditites in the industrial system that preven.
falling demand.
The economists' theories failed too, to explain
the workings of the workings of another major shift in the interna-
tional economy the emergence of floating exchange rates. These were expected to enable countries in intermational payments surplus or deficict to adjust
automatically: simply put, as a nation began to hyy ( automatically; simply put, as a nation began to huy
more than it sold abroad, the value of its currency more than it sold aproad, held value of its currency
would fall, its exports would become cheaper and more competitive greater foreign sales would stimulaxe demand for its currency, and equilibrium would
be restored. be restored.
Is any others, and as weak countries' aurrencies as any others, and as weak councries' currencies
fell, the primary result was to make their imports more expensire, thereby increasing their inflation.
and further weakening their currencies. In the ast and fyrther weakening their currencies, In the iast
two years, Britain, taly and perhaps France have two years, Britain,
fallen inty
into this downward spiral.
The slowdown and inflation in the industrial coun-
tries bas taken its heaviest toll in the nonoil-productries bas taken its heaviest toll in the nonoil-produc-
ing developing countries, which like Britrin and italy,
 ing a staggering ioreign deot of more than $\$: 70$
billion, Mos of that ootal it coancentrated in tiee
"middle income" countries suct, as Brazi! and Mexico, each with an escimated sing. 5 bilition in foreigr
debt



 wanting to ruin their creoit standing bre ven suig-
gesting such $a$ a course. The deot nis; become the central issue in talks winding tep between represents--
tives of the industralized nations and tie deveicring nations in Paris.


 price of oil. ministerial meetiog of the "North-Soutio ber, as is the comiog oil producers gatherinis, Now
both meetings may be pospontc, as the fragie cieveloping world albance waits to see whither the new
Carter Administration witi be inore forthoming in negotiations than its predecessor.
By all indications. this mey weil be the case. FresiBy all indications. this may weil he the case, Fresi-
deni-elect Carters
chonomic arivers have ircicicated a greater responsiveness to the tryuioss of the deterel-
oping nations, specilically by expres.ing inierest in oping nations, speciicically by expres sing inierest in
certain price-stabilizing commodity ngremente, and in the possiinity of converting siort-temp commer-
cial deht of the poorer :aitions inio longer-term World Bank loans.
Domesticaly, the Democrats are commited to a
higher leve! of growth io the Lited States, with higher level of groxth io the Linited States, which
would in turn stirulate emports ic this rest of ihe world, and have siressed the need jor similiar, more stimulative policies in west Germent ano Japan. In short, the incoming Administraion seems more
worried about the instajilities in the jivaza sconomy worried about the instailibities in the pivial seconomy
than President Ford's avisezi: and nore willing to experiment vith solutions. Bui these catious Deniocrats aren't making ally promises that the new activ-
ism means that hapop : ism means that happer ing
least in the immediate iuture
Ann Crittenden
New York Times.

## The World

In Summary

## The Quebec Separatists Take Power



The voters of Quebec Province have toppled an incumbent Governmert, ap-
parently because they identifed it with corruption and incompetence. In
its place last week they chose a party is place last week they chose a party
that favors Quebec's indendenece
from Canada although, accoording to from Canada although, according to
polls. a majority of Quebeccois are still
against that idea. On the face of it, the tictory of Rene Levesque's Parti Quebeccois over the
incumbent Liberal party regime headed by Premier Robert Bourassa was an extraordinary upsel Mr. Bourassa
says he will now leave politics. Before says he will now eave poititcc. Before held only siz seats in the 1ho seat
National Assembly, the provinec's
tejislature in the new legislance it eeislature, in
will heve 69.
The popular
The popular vote, however, shaws a
more modest if still significaint swing. more modest if still significaicat swing,
In 1973 , he Partion Qubbecois got 30 percent of the votes; this time it got
41 percent. The Liberals got 55 percent. in percenc. The Liberals, got 55 percent.
int 197 , droping to 34 percen tow.
But the Liberal fallout did not all got to Mr. Levesque's party. Minor partios
chis time got 25 percent of the compared with 15 percent of the the
che
chat In the campaign Mr. Levesque con-
centrated less on the issue of independence for the French-speaking province
than on offering an alternativc to a regime beset by charges of corruption
and poor handing of the economy. But it is inevitable that he will have to ontront the Canadian Federal Govern rudear himself a French-Canadian on the independence question. ism (which really means fostering the Speaking of French outside Quebec) and giving Quebec greater control over
social programs, has sought to social programs, has sought to defuse
the ethnic conflict. He made clear last weak he will fight to keep canara one nation. He said Mr. Levesque bad been
given $a$ "mandate to form a government ... not to separate the province For his rest of Canada For his part Mr. Levvesque is pledged
to stage a provincial referendum on.
independence probably witbin two years. He may, proweover, fict pres two
to call tbe vote sooner because antiseparatist forces believe public sentiment is oow against the move, but that
delay could give Mr. Levesquive time to delay could give Mr. Levesquiue time to
use his new office to propagandize for No one exp.ects a repetition of Bull
Run on the Ottawa River but the increased possibilitity of partition of Canada bas profound significance for ca nadians and Americans. Canada is not
onhy by tar the largest market for
United States exports it is also by United States exports, it is also by far
the largest source of raw material imthe largest source of raw material im-
ports. Iron ore, asbestos and paper
producis tom products from Quebec form a substan-
tial part of that trade.
 Canada's constitution. That document, Che British North America Act, was passed in 1867 by the Westminster
Paraiament forts have been made to replace it with
conadian legislation. All he efforts
have failed.

## Portúgal to Get

 A Large U.S.Loan Chile and secretty contributed to 1 It
ouster. has agreed ct liend at least 5300
Hillion to the Scialist Government ouster. has agreed tn lend at least 5330
million to the Sncialist Goverment of
porrtugal. Washingtion remembers the Portugal. Washington remembers the
Chilean episode for the cersure tbst
followed disclosure of the United Shaweds's covert esure or orives, Lhe Unishen is
cis
haunted by the internal weaknesses haunted by the internal. weaknesses
of the Chilean Government of the late re. Salvador Aliende Gossens that treated

Dr. Allende's Government was a
coalition of , $\mathbf{S o c i a l i s t , ~ C o m m u n i s t s ~}$ coalition of Socialists, Communists
and radical leftist groups. The Por
tuguese Prime Minister, and radical lefuist groups. The Por
tuguese Prime Minister, Mario Soares,
formed a on one-party
Cabinet
four formed a. one-party cabinet four
mmnths ago, althnubb bis Snclalist
Parth won only a plurality in parlia Party won only a plurality in parliz-
mentary elections. and he bas stited
nepeatedy that he will not form a mentary elections. and he bas stated
rpeatedly that he will no form a
Communist-Socialist alliance. Wherre Communist-Socialist alliance. Wher
Dr. Alende wwas pusbed ny his coali-
tion partners to accelerate leftist re tion partners to accelerate eftist re-
forms to the probable detriment of the
Chilean economy, Mr So Chilean economy, Mr. Soares has pro
posed austerity measures and a policy posed "comperitive coexurstesce" with the
private sector, halting nationalizations private sector, haliog nationalizations
and promotinn labor discipline to re-
tain and attract investment capital trin and attract investment capital
Portugal also has made clear its inten
tion to remain within the Western militsry alliance and is seeking admissio
to the Eurcoean Economic Communty to the European Economic Community.
These differences between the Ailende and Soares Governments. and
Washington's desire to keen what i
regards as a stabte and nnn-Commu Washington's desire to keep what it
regars as a stable and nmin Commu
nist govermment in power in Portugal nist government in power in Portugal
prompted the American loan. While prompted the American loan, while
many of the Socialist austerity meas-
ures have been unpopular, Mr. Soare .ures have been unpopular, Mr. Soares
cootends they are necessary to alleviate a scate of near bankrupicy lets
by a series of ephemeral governments
following the revolution of April 1974 . following the revolution of Apris 1934.
Portugal's balance of payments deficit
for the current year is cooservatively Porugal s barence year is cooservatively
for the current yore
estimated at more chan $\$ 1$ billion and Chile Frees Prisoners
Chile Frees Prisoners
Alhe Crilean junta tbat deposed the nounced last week that it was freeing
all but 20 of its remsaning 30 popitical
prisol aroused protest in many nations. prom Congress specifiraclly citied the issuue
when it decided to bar military aid to Chile and limited economic assis ance to an annuai $\$ 30$ million an
President-elect Jimmy Carter has said he would neever propose aid to Chile
unless the human rights situation there
substantially improved.

## U.S. Says No To Hanoi at U.N.

Nearly 20 months after the war in
Vietnam ended. 795 Americans still listed as missing (presumably they are dead) remain a major bargaining lever
as Washington and Hano move to cor struct a postwar relationship. Last week, the United states again
vetoed vietnam's application for admission to the United Nations. The rea-
son given was ind son given was Hano's fallure to pro
vide what the United States regards as a full accounting of everything Viet
nam knows of the missing servicemen nam knows of the missing servicemen.
The two countries have begun diplo-
matic taks in Peris but the UTit matle talks in Paris, but the United
States has stated repeatediy that it
will not estabisb ties until the issue will not ess
Whectier the vietramese have more provided is not known. have arealy Nexily unified vietnam, wants
American economic aid, or at least an
end to the Unitel Ster Anerican economic adid, or at least an
end the thited states' current trade
embargo, to further a embargo, to further a policy of. eco
nomic independence. Hanoi already nomic ind iependence. Hanoi already
has accuirid memberhis in such
bodies as the Intermational Monetary Fodies as the Intermational Monetary
Find and the Asian Development
Bnak Assuming the vemamese can and do clarity the status of the missing
Americans, however, there is no gunr-
antee they will recelve suostannaal monetary help. Even if President elect


Spain Decides to Vote Once More

## The parliament bequeathed to Spain by the late dictator, Generailssimio Francisco Franco, has voted its own

 demise and replace, has voted its owntry's first democraticatly elected coun tra's sirst democraticaly elected tegis-
lature in four decade. The approva
last week by the cortes-by a large last week by the Cortes-by a large
margin-wwas aconrete sign that
while nothing really has changed in while nothing really has chaz
Spain, in a sense everything bas.
In addition to the Cortes. In addition to the Cortes, the aur
thoritarian structures of the Franco
era are still intact. The police stil


## Last Week's Vote in Quebec Only Adds to the Tension

## An Uneasy Alliance:

 Canada and Its Provinces| By Henky GINGER |
| :---: |
| MONTPEAL-Two French Canadians are to meet next month in one of tbe more dramatic confrootations in modern Canadian history. Pierre Eluot Tru- deau, whose bome town is Montreal, is Prime Minister of Canada and is responsible for maintaining its territorial integrity. René Levesque; whose bome town is also Montreal is Premier-elect of Quebec after last week's election, and be wants to lead his province eventually to independence. <br> Both men are governing under extraordinarily complicated and delicate arrangements. Canada is commonly, and rightly, thought nf as a soverign nation able to make its own decisions in foreign and internal matters. Yet Canada's basic constitution is not in Ottawa but in Londoo Where, moreover, its canada ja more symbolic than anything else, but what is not symbolic ja the British North America Act of 1867, which remains the basic charter of the Canadian nation. <br> The Quebec election involved more than just a change of parties and government. Because tbe Parti Quebécois has as its fundamental optioo the independence of Quabec, suddeoty the rest of Canada musesque must not only deal with Canada but with Pritain as wrell. And Qureeo Elizabeth is thrust into the role of George III trying to stave of a form of rebellion on the Nortb American continent. <br> In each Canada Yearbook summarizing the state of the Canadian nation at the end of every year, there appears the following explanation of Canada's constitutional arrangement: explana. of Canadas |


 power whe her it radawn or in ind
ernents have trationaly
powers at the expense of the Foble powers at the expense of the fogk in
This will now be more triue the that it intends to begin 2 stephery
with Otrawa to increase local mmediate future the provinine


 ment for the British aubstituing 19

 amendment of CCandar's constiudticment by any fegislative authority in Comand
power of the ccinadian
 or governments. There continues 10 10 te Even assuming the best will to the coward Quebec's demands-, Wige wis
 haye to deal not only with one ouraial British House of Commionss Fromm
minster is oot in the mod

 Crowna Both evvantualties are mexilion and all sides may then come arourt
 Other provinces, with- strong Oume United States, may also succuimb tote Then amended 14 times by the pith

Henry Giniger is -a correiponken
York Times, based in :Whontreal

## How Canada <br> Is Governed




## Rebuilding <br> In Lebanon

## Weirit Syinin trops nuw ocapying 








 ind some chistan and Mosem lead.





 time wint tell wine
bic aspocites ca


## Rhodesia Talks Unsuccessful

at ant apparenting in Geneva moving
racial war in Rhoodigibeste pace, the
 military "victories,"
remains: Sust the quest claims
 fail to agree on a meehanism for for
peaceful transfr to majority rule?
There were severa There were severaal indicications lest
week that the whites werce capable of resisting fur some time. Although o out
nimbered by nimbered by the nationalists, Govern-
nent forces are

 will nnt block deliveries provictions, the
whites fultril their commitment to
to wrrk out
 the five so-called frost-line Atrid
nations,
Mozambique, with the exception Mozambique. where mosception of the
insurgents are based, the support
esaenially political. They receive esaenuially political. They receive most
of their
Union which rons repor the Sovet
up deliveries in recently whas stepped
to the $T_{e_{n s i o n}}$
THE NETM YORK TIMES. SUNDAY NOVEMBER 2l, 1976



 under ine presidents sontro.


 Deputy, causing considerable damage but no viectims. Lopes
Cardoso. who had ius resigued as Ministro of Agriculture
was under fierce atack by conservative farmers and by bis ow party's right wiog for hus agrarian reform policies. The bormorganizution of the security forces. whicb airead seems to be having is effect. But the Soares Government has made intile headway theward
reviving the economy. The balance of payments deficit is estimated at about si.165 billion this year. unemploment is over 15 percent production is lageing-Portugal imports
over 50 percent of its food-and the level of private investover 50 percen
ment is low.
The Governmeint has initiated an austerity prngramn that
has resulted in widespread public outcry and seems to have has resulted in widespread public outcty and seems to have
hurt most chose who can least afford it. A $25-\mathrm{to}-31$ hurt most those who can least afford it A
percent increase in the price of pubbi transport cassed
general oisgruntiement and riots at the Lishon ferry. There general even more protest against a forced savings plan that
wabstiuted government boins for workers' usual Cbristuas bonus. Living costs have veered sharply upward with a
new $20-$-t-30 perceot surcharge on imported , goods and a 60 percent increase on "superflunus or luxurry" imports such as shellifish, candy, wioses, tobacco. perfimes, furs and
jewelry. The middll
class $h$ has been bard hit by continually rising property ans pre social calm lave not reassured man-
Measures to retor
agement but have enraged the labor uninns. One new ruling Meanent but have enraged the labor uninns. One new ruling
agem
limitit fringe enefits, orertime and sick leare and sets a
40-to-4-tour legal work week. Annther measure authorizes 40-to-45-thour legal work weekk Andther measulue authorizes
dismissal for a wide array of "just causes." There is also a proposat to bor strikes in vital services. The decree setting ip a single national union confederation, dominated by the unsuccessful atitempts to establish a parallel or oraviziztion.
At the same time. Uue Go:ernment has moved to correct At the same time. the Go: errment has moved to correct
snme nf the excesses cominitited under the Communistdome nated agratians reform program. About 100 illegally
doccupied farms have been reurned to their owners bue tiere occupied farms have been reurned to weir ouners but there
are many more clazms A ruling last week provides frr
ind mamnitics for nationalized property-paid in government indemnitics for nationalized property-paid in government
bonds. whicl is unlikely to make the beneficiapies very happy. There also have been moves toward social reform.
Vork has begun on an important new housing program and national bealth serrice. Bu the general In sum, Mr. Soares is urying to restore economic and
litur
social order in this country but be is meeting strong resistance. even from widtuin his own party. The left wing of the
socialist party- who form a vocal minority, have r.penty Socialist Party: who form a vocal minority, have ependy,
atracked the Soares Government for its "procapitsisti" abor policies. Neverthcless. the Gorernment's efforts to stabilizn the
evolution have won broad international support, although revolution have won broad international support, although
until recently this has been largely verbal. Two weeks ago
however, a meeting of the European Free Trade Association owever, a meeting of the European Free Trade Association
onfirmed that a sloo million tund has been set up to deonfirmed that a s 100 million tund has been set up to de-
cloo small and medium industry in Portugal. Then last
reek it was annouiced that the Ford Administration had week it was annouitced that the Ford Administration had
approved a $s$ sion million emergency loan to Portugai and approved a $\$ 300$ million emergency loan io Portugai and
would seek congressional consent io participate in a long.
tern sish bilion consortiun with West European countries. term st.5 billion consortium with West European countries.
namely Gernany. to help this coulury.

 voung Jemocracy and in its Socialist Govermment. Now the
conditions have been created for economic recover;". he decalired. "We have the necessary polifical and militery'
stability, a new" fer-reaching development plan ano the political determinatioo to carry out our projects." Last weak. the Govermment presented its economic plan
for $197 \%$ which is 10 be debated by the legislature. In essence, the plan lorecass a substantial increase in public
and private investments in producive sectors, a reduction an pronsunnprion. increased expenditures for soclal servičs. price controls on wssential food items and the creation on 125,000 rew. Jobs.
There were protests against the continued high defense
and expenditures. now that the coionial wars are over and
Portugal is denobilizing its overyized armed forces. NeverPortugal is demobilizing its oversized armed fortes. oos not
theless, initian reaction was faviombe. The plan theless, initial reaction was favorable. The plan does not
solve the counryys economic crisis, but the feeling was that
it shows. the way out. Marvine Howe is o correspondent for The New York
Times, oused in Lisbon.
the aftitmath of the Aprit 25. $19-4$ military voup against
the right-wing dictatorshlo. Hard pressed suburban houss the right-veing dictatorshlp. Hard ppressed suburban thouse-
wives daily damn the Socialist Goverment ior all their
woes and some have even been beard to mutcer, "stares woes and some have even Бeen beard to mutter, "sciares
sbould be lyoched." Cashing jo on the public's frustrations, Conmunists and
radical leftists, $2 s$ sell as parties to the righ of the Socialists, have stepped up tbeir opposition to the Soares Govern
ment and are expected to make gains in elections set fo ment and are expected to make gains in electicns set for
December 13. The voting is only at tie municipal-and parish
level., but is considerd a crucial test of the Socialist
Government's popularity. Mr. Soares, who has pledged 10 "respect the will of the
pcople." probabyy would not resign if the Socialists poll less than the 35 percent they won in last April's parlkementary election. but he might bring members. of the centrist
parties into the caoinet if they make major gains. The Com.
munists are oot expected to poll more than 15 percent in munists are oot expected to poll more than, 5 percent in the local elections.
The Prime Minister announced that one of his Govern-
mente's immediate tasks was to restore the authority of the

EcheverriaDefendingReforms

## Conservatives

 In Mexico Are Sure Their Day Is at Hand the same long-ruling farty and with whom he has mainAlthough Mr. Lupez Portillo was chosen to be the next
Mexican President more than 13 months ano. he rentains Mexican President more than 11 months ayo. he retiains
a mystery to most Mexicans cautioushy avoiding any criti-
cism of the outgolng administration and glving only vague a mystery to most Mexicans. cautiously avoiding any critit-
cism of the outcolng administration and glving only vague In contrast, with only days left in office, Mr. Echercrria
continues to hold on to the political spotigbt. leadinis a caravan of politicians on a valedicicors tour of the country, inauzurating projects, making provocative speeches. beuing
praised ty sycophantic party officials and unavoidably compraised by sycopianic pari.
ing under more suspicion.
Yet, even if Mr. Lopez Yet, even if Mr. LLoper Portillo wished to pursue the
same policies as this predecessor - and presumatly that same policies as this predecessor - and presumably that
was Mr. Ecbeverria's intention in picking birm Mexico's
esseotially authoritarian system demands strong esseotially authoritarian system demands strong goveramment
and would oblige the new President to impose his authority


 pected almost automatically.
However, more than anything else, the poor shape of the
country that he will inherit - more politically divided than at aoy time since the 1968 student movement economi-
cally weaker than ac any time since 1954 -will probably define the ideolngical coloring of bis administration. Eiven
leftist intelle lefust intellectuals seem to agree with conservatires that
a swing to the right in the coming years is inevitable. To avoid the danger of a right-wing rebellion. perriaps supp
ported by some army elements, Mr. Lopez Portillo must ported by some arny elements, Mr. Lopeaz Portillo must
reunite the country by appeasing conservaiive opinioo, and to ensure a recnvery nf the economy, he must persuade
Mexican and foreign businessmen to resume investing Mexican and ioreign bussinessmen to resume investing.
With their hand
for new fremthened by Mexiex for new foreigg credir commercial bankers and the Interna-
tional Monetary Fund are now in a position to lay dnwn
the law In exchange for loans exceeding $\$$ billion singce tional Monetary Fund are now in a postion tilay dime
the law. In exchange for loons exceding Sz bilion simce
the first devaluation, three months ago, they bave already the first devaluation, three months ago, tbey bave arread
told Mr. Lopez Portillo he has no choice but to inptov
strict austerity and stash governo prepared to add to Mo Mexico's $\$ 23$ billion forejg. debt and
are able to do so - last week Mexico secured an $\$ 800$ million European loan. its largest single commercial loan ever
because of continuing confidence in the country's basic political stability and optimism over its important new oil
reserves. But new pressure on Mexico to accelerate eryde reserves. But new pressure on Mexico to accelerate cryade
oil exports, currently running at only $12 \overline{3}, 000$ barrels per Similarly, organized labor. pampered by the Echeverria Adminisration, can look forward cheerlessly
wages and higher prices, the quid pro quo that the private. sector is demanding for a resumption of invesmen. Because oi the strengthening of leftist politicai groupp
during the Ecbeverria Administration, on the other hamd during the EEbeverria Administration, on the other hand,
protests at these measures in the form of strkes aod peasant and iovasions could merely fort ther to the night
The role of Mr. Echeverria will be crucial: He could uss
his influence over his influence over labor and peasaot organizations to mak force Mr. Lopez Portillo even deeper into alliance with private sector.
Whatever the outcome, Mr. Lopez Poridlo's domestic diffi-
wher give less priorijy to foreign affairs and may slowly abandon Mr. Echeverria's fervent campaign for a "new world economic order.
The basic $p$
The basic principles of Mexico ${ }^{\circ}$ sforeign policy will be oping world and an "open-doors" policy for Latin Ameritan
leftist exiles.

Alan Ridinn. o inurnalist hased in Mastico City. writs
irequenty on Lotin Americou subjecls jor The Review.

## The Nation

In Summary

Outsider Carter Acts the Insider While He Waits
old daygher, Any, in a argely ylacis
Washington D.C. public school. 5 On ouspect of the current ontrover


 an pupit rasessiamment tranges The case involves the Detroit school
sysem
The
United Sta states
District system. The . United Statates Districi
Court there accompanied a pupil trans fer ortet rich 2 ruling that several




## 7 Governors Get Together, Maybe

The Givemoro of seven nofteater
 Federif tivernemt figurigs tis is the rizh ine, with ef The meeting predictably included
proclamations of harmony among the proclamations of harmony among the
seven, a plan for economic recovery and a pledge of aupport in princicle
from a high policy advisor to the Presifrom a high policy adtisor to the Presi-
dent-elect, Jimmy Carter. But these ex-dent-elect, Jimmy Carter. But these ex-
changes are a long way from action. In practice the states involved have
conflicting needs and interests. .New
York, New Jersey and Connecticut, for instance, are in competition for ner In his campaign Mr. Carter was sym.
pathetic and promised action on the patheric and promised carter was on the.
problems of cities in general and of problems of cities in general and of
the Northeast in particular. As PresiThe Northeast in particular. As Presi-
dent. ency and the interests of several regions to balance. The Norheast sends
is Democrats to Congress. But the represencatives of ail ghe other sec.
tions there resraless of tions there, regsraless of party, far
outweigh them, and natiooal policies designed primariiy to promote the welfare of one area are not likely to be There may also be new questlors
about wbether anything ought be dooe. about wbether anything ought be dooe.
A Government study released last week A Government study released last weel
questions the Goverrors' primary premise, that the Northeast needs help bezause it has lost jobs and industry
to the South. The Governors called for an "eco-
noraic and energy development corponoraic and energy development corpo
ration. that wound raise low-interest ration" that would raise low-interest
nuoney for the NNortheast through
federally guaranted loans.

## Assassination

 Panel OrganizingA recently impaneled House Select
Committe on Assassioations has announced as expected tbat $1 t$ plans to
gather a preiminary staf of
ITO lawgather a preilninary side homicie detectives for its
yers parallel investigations of tha murders
of President John $F$. Kenneiy and the Rev. Dr. Martin Luther King IJ.
The formation of the special com The formation of the special com-
mittee had been urged by a oumber of assassinatioc "atudents" and poter.
tial conspiracy theorists in both
Houses atter ser Houses after a a Senate subcommittee
oo intelligence reporte evarifier this
year that oo intelligence reported earlier this
year that the findings of the Warreo
Commission may have been based on Commission may have been based on
incomplete information.
The Housse committee has asked the Federal Bureau of Investigation and the Central Intelligence Agency for all
documents and memoranda pertaining to the killings.

## Miss Hearst Out On High Bail

 Patricia Hearst has been freed fromcustody for the first time since her capture more than a year agoo, evident-
ly because the courts baving furisdicion over ber are convinced that there is no danger of her fileeing. The Hears
amily posted bail of $\$ 1.5$ million. The decisian to release Miss Hearst
may also have been influenced by a may also have been influeiced by a
coocern for her safety in prison. Sbe ras recently transterred from ooe
prison to another because of reported prison to another
threats to her life Miss Hearst was convicted on Feder-
al bank robbery cobarges and sentenced al bank robbery cbarges and
to seven years in prison.
Miss Miss Hearss also frisen. state charge Los Assautit, kidd napping and robbery in
Le is to . The ludge tn whose court sue is to stand trial on Jan 10 cour
curred in the decision to grant bail.

Caroline Rand Herton
and R. V. Denenterg

## Correction

In The Week in Review of Nov. 7 it was incorrectly stated thhat. the
election of Howard Metzenbaum of Ohio increased the number of United States Senators who are JJwish to o
record four. Edward Zorinsky. Demo record four. Edward Zorinsky. Demo-
crat of Nebraska, is clso Jewish, and his election Nov. 3 brings the number
to five.


## Why Another Assassination Inquiry?


collecting a private file on the murder. He hes re-
mainei a astudent of poinicial ascassinations" ever
since, adding the King murcer, the killing of Robert siace, adding the king murcer, the
F. ennedy and hise atiempi on the
Gove George Whellace to his interests.
Earlier this year ion found an Downing Dewiczat of vird ana, wito, after vieving an amateur film of the hennedy assassination, $=00$ cuded that the shocting was y.ot tie work of Lee
Harvey Oswald but of a corspiracy. The iwo Representatives were :mpressed by the work of the Senate Select Commitite on Intelligence, woich had exhaustively stuoied the possibie relationshin between the
killing of PTesiders Kernedy and the C.LA.'s plots killing of President Kernedyy and the C.LA.'s piots
to assassinaze Cibze's Premee: F:del Castro. That
 statement that the 1904 wareo Conmission report
wou:d "collepse tike 2 itouse of cards" wben all woid "cculapse ike a iovise of cards", ween all
the evidence was in and ended last Juce with the
 Represeniatives Downing and Gonzalez Pough io net an investigation of their oxn approved. The Rules
Committee was evealy split for a time. A staunch opponent was B.F. Sisk the Califormia Democrat.
who declared on the House floor on Sept. 17: "Let

 ai our taxpivers, let us vote this resolution down"
He spoke of "wiicich hunters" with "some kind He spoke of "witcin hunters" with "some kind of
meioctaratitic desire for the moridi" and obseved: "I thought we put this thing to bed a long time
ago, but it seems to ever raise tis head." Eunice ago, but it seems to ever raise tis head." Eunice
Shriver, sister of the Keanedys was among tbose condenning the proposal as a pubilicity-seeking ac-
But new clisclosures of F .B.I. co:erups in the invesLigation of Maritin Luthe- King's deatt breathed new
life into the cause champiores by Representatives lie into the cause champ:orei by Representatives
since, adding the king murde:. the killing of Robert
tant members of the Conglestionary inclinding Walter Fauntroy, deleggte truas
of Colnmbia, and Ronald $V$. Dellums b California
Mr. Gonzalez Mr. Gonzalez was asso persuasive mar
cans, including the infiuential ncis, arguing tbat it was time for ob countrys tive and unimpassioned jiew of the 10 in the end, he and Mr. Downing had 10 that it will be coodurted of the per ios ive attormey, Richard A. Spraque, who in Pennsylvanta anee murder cases is 1 men and lanyers as staff investristiol Mr is there, in fact more to be much-discusssed'and long past evenats ast and King murders? A capitol hill mC widn the senate investigation theek that "some things are murut
said that the senate
nnd and that the Senate com conittite brid 7 ? good hole in the warren Commisision
The official was referting princially io clusive F.B.i. reports about a cuban 2 C. LAA and Mr. Mr. Who slipped out of the United Stares an The after the assassination 11 yearry Lee Harvey Oswald was known to K . Castro government of his murder plan isy
dum by $J$. Edgar Hoover to the wance it hes been dismissed by Congresiomal David Binder is n reporiter in the
reau of The New York Jimes.

So Far, Not Much Sign that Carter's Will Be Different

## Cabinet-Choosing Process Seldom Varies

## By JOHN HERBERS

WASHINGTON-When the White House is passing from one party to another, the president-elect trad
tionally uses the process of selectine a Cabinet fo ruch more thao assemhling the people wbo will
hold top positions io his Administration. He uses hold top positions io his Administration. He uses
it for healing tbe wounds of the election campaign for consolidatiting wis position among friendly inter-
ests, for broadening his base of support in Coogress ests. for broadening his base of support in coogress
and across the country and for quieting fears about and across the country and
his approachmg Presidency.
Jimmy carter is proving to be no exception in
the politics of Cabinet selection despite the fact that he ran a campaigo wbich emphasized a new measure he ran a campaigo wbich ermp hasized a new measure
of independence from the groups to wbich Democrat-
ic ic Presidential candidates are usually bebolden: labor
unions, political machines, public officeholders, and others.
While Mr. Carter was talking by telephooe last
week to leaders of various interest week to leaders of various interest gronps to solicit
their recommendations for the Cabinet, Hamilton Jordan, who mapped the campaign that made Mr. Carter
President-elect, was telling reporters that the Cabinet President-elect, was telling reporters that the Carinet
would be a mix of " women, men, people of differen
races, people of different philosonical views. races, people of different philosophical views. "At
the same time. he Carters staff. concermed about
indications that the economy may be io trouble once again, sought to reassure the business commumnit,
that they would not appoint to the top economit that they would not appoint to the top economic
policy posts persons incompatible with prevailing
views views among businessmen.
Mr
Carter
bas
Mr Carter bas been maiotaining close liaison with
Iabor leaders, blacks, enviroonentalists, members of Coogress, governofs, mayors and others whose support he waots after januaryy 20 . As a results the
lists of people purported to be under consideration for impor
ingless. ingless.
Mr. Cart
Mr. Carter may, as be prombses, have e Cabinet
of persons broady represemtetive of the electorate,


nessed a series of broken promises in recent years the outcome bave' been two different shings io the Exactly eight years ago, Presideot-elect Ricbard
M. Nixon, assembling his government io New; York's

Pierre Hotel, was promising a stroug Cid
retaries who would be permittod wifer retaries who would be pergittod, besidy
don't want a Cabinet of yemen
ed that -it would contain a Demorat epubbican and a black His cabinet bave none of those, and the persmus)
were subaequenty downgraded as antur entered in the white Hoose The politics of Cabinet. selection if
mportant after a narrow victory-es mis er's this year, Mr. Nixon's in 1966 sadad Jow tys in 1960 -in ordier. to broaden suypy
hew Administration. But the lack of as Presidents call an electoral land insis. tie the Presidentelelict to pracicices $\& ~$
making his choice.
Search for Independence Mr. Carter, for example, who porimy sought to rum a campaign Independent did
 cratic support. Yet the election wimm



 or or making a all of herift
members of Congress. if

## President Nixoin coudd appoinit cajous



 Although Mr. Carter rani ain antibl
paign, he is expected to driw Sme
 years. The reason tz ta
getting his programs en
would haid he woun by?




# The Region 

Continued

Ella Grasso's Two-Year Fall From Triumph

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ource u. Department of Conmerco. Eupeaperthec

How the City Managed to Spend It All

A report issued. Isst week by a special megronal
sion provides itluminating data on: how New sion provides mumina $\begin{aligned} & \text { ning daya on: how New Yot } \\ & \text { fiscal priorites have sifted over the last } 15\end{aligned}$ ? what thosestsits have Meant in terms of delivery
to the ctys residents. The report also suppors os
 programs is in part responsible for the city's fisal The chart above compares the citis's per capile ${ }^{\text {o }}$ equivaleot city/county governments, and will ine per. capita expeoditure of all "local government it
areas. Three of these functions ard considered areas, the city's per person provenditures rank or secood in. the nation, and, in most. casess far efty
spent by other local governinents. In the one New York ranks fifth in the couotry; which weat
 its young. city has allocated its manpower and money in the last 15 years. While the proportion of espenitid fire, sanitation, education-has dectined, the mpexim
 latrger than those for the four essential serices
total expenditures increased shanity total expenditures increased sharply over cisi pe
while the amount of money spent foressonaial
 times as great.
This shift in emphasis froms essendial servious
. programs can be cxplained in two ways tup
demography of the city-simply expressed by tof more pocr peopls-has created a-greater denamp
programs in the last 15 years. And the fact that Federal governmeot contributes, nititching find
of these programs has also provided an incenvet of these programs has also provided ani ifin in
proliferation. But, despite the apparent sifit
citys per capita spenting on essential servies if city's per capita spending on essential serviexs is
resign and Mrs. Grasso hy then had so many enemies she was unable to replace $h$ 'm when the state Democratic
Convention was held. At tiat point she had ( 1 ) suffered another deifeat: (2) alienated even more Democrats; (3) paign, and (4) left the par:y facing the election in bitter disartay and leaderless.
After the convention Mirs. Grasso attempted to campaign
for Mr. Carter in Connecticul, hut found union recklers ar mr. Carter in connecticul. but found un:on hecklers paigning was conducted outside the state. But when Mr.
Carter visited the Elecruic Boat submarine shipyards in
Groter she wit Groton, she was unable tr. stey Mrs. Grasso did not campaign actively for the state's
Democratic Congressional candidates and did at
 Secretary of State and wiss waging an unsuccessful fight
for a United States Senate sceat against Lowell $P$. Weicker Or a United States Senate seat.
Jr.. the Repubtican incumbent. Mrs. Grasso's political future, however grim it may look now, is subiect to change. The economy is improving, the
batte scars of 1975 are fading, and Mrs. Grasso did end up in the Carter camp, even if he did lose the state. Michael Knight is a Connecticut-based reporier for The
New York Tines.


## Somehow It Escaped New York's Financial Woes

## Port Activity Is One Brights

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## During Thanksgiving week, the tiving Section will be published on Monday in <br> Elye New Eimes

## Don't Munichize end hypocricy and cynicism!

Tar. The U.N. Security Council, under petrodollar. influence, protested measures taken by Is-
rael in occupied laidd-warning against any protanation of the holy places"--⿰nnowing ful
well that Israel zealously suards religious
freedom for all freedom for all.
The rationale for the universal gang-up on of reteotion of territories seized by forre." What hypocrisy! Did any of the major powers sur-
render all seized territories-even when the lands owere so far removed as to be no threat to
securite? What about the U.S. and Japanese islands? Did Russia relinquish huge areas grabbed from Germany, Poland, Baltic States, Finland, China, Rumania? Did not Jordan reject hesent Israel-and instead chose war? Should aggressors institute war, lose it, and then receive the rexwards of a victor? Shouild E. Jerusalem
(where now democratic privileges are universal) (where now democratic privileges are universal)
be retumed to Jordan who for 19 years harred even Israeli Arabs and destroyed everything

- Israel is justified, historically and morally, in retaining present borders: first, because the
Arabs (even the so-called "moderates") aim to destrov Israel and refuse to negotiate peace; secondly, the 1967 horders gave Arabs missles
dangerously close positions; thirdly, unider Israeii Arabs enjoy a standard of living and democracy unknown in neighboring Arah countries.
Messrs. Ford, Kissinger, and Scranton
should heed Sen Eagleton's waming: "The should heed Sen Eagleton's warming: The
moment we sell out a small courageous democracy in the name of profit ... or or, we con-
tradict our own nation's reason for being." Pray that Pres. Carter will heed it!



## Headliners



Mr. Murdock's Entrance
The New York Post, the city'a only afternoon daily, is
going to be sodd to Rupert Murdoch who owns newspapers going to be sotd to Rupert Murdoch, who owns newspapers has a reputation for revitalizing failing publications by
featuring scandal sex and crime. He runs an empire that featuring scandal sex and crime. He rins an empire that Britain's largest circulation newspaper, News of the woorld and in this country. The San Antonio (Tex) Express and
Evening News. Mr. Murdoch quickly raised circulation-and local anger- with his sensationalist approach in San "will maintain its present policies and traditions." Dorothy Schiff, present publisher, soidd she was confident that Mr
Murdoch "will carry on vigorously io the tradition I value so deeply." Mrs. Schiff has followed a geperally liberal
policy since she bought the paper in 1939.


Deportation Order
Philip Agee, the former Central Intelligence Agency emstratagems, and disclosed the names and location of some of its operatives, has been ordered to leave Britain. The
deportation order accuaed Mr. Agee of threatening British security and of maintaining contacts with unidentified for eign agents. Mr. Agee speculated that pressure by the
C.I.A., angered by his book and by articles published in a magaine he works for called Counter-Spy, was responsi-
be for the deportation order. Earlier last week, Mark Hosenball, another American reporter, was ordered Mark Hosen being a security risk Mr. Hosenball works for a British
paper, but he has written articles on intelligeoce activites
Gary Hoenig
for the magazine Time Out


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## FORTHE DEDICATED TEACHER ONLL!






 MANHATTANCOUEGE


THE NEW YORK TIMES，SUNDAY NOVEMBER 21， 19

## Demography

## The Growth of <br> Population Is Slowing Down

$\frac{\text { By LESTER R．BROWN }}{\text { Sometime near the beginning of this decade，the rate of }}$ growth of world population peaked and decade，the rete o  percent of the world＇s population A secon matry，and and more sobering reason，is a shortage of food that las led deeanh rates in the a more densely of fopd that has led to rising The coosequence of these trends The coosequence of these trends，at once poncorrazaging and orminous，is that the long－eeppected doubling generation of the the lorrd＇s expected doubling over the next is<br>How rapidy a nation＇s population grows，leaving aside sand（the birtut raxter）and bye ne number of deaths per thousand the death rate）．The difference between the birth rate and ation growth rate for a country or a region，As an example he birth rate for the Uoited States wegion．As As an example， of 5.8 per thousand，or a little more than onehalf of one ，was tuis country＇s population growth rate．<br>geographic poputation growth has been concentrated in three East Asia．The erowth rate fell by balmost one－halr in Weat and Asia Westerna Europe，with 343 nill North A America and East $1975-a$ remarkable reduction for a larcent ares 1970 to 0.32 in ica and East Asia had populations of 236 million and Amer－ North，Americas＇s goverth rate．（excluding immigration）from 0.90 percent to 0.50 perceot during the fiveyens 0．90 percent to o． \(\begin{aligned} \& gorsth rate（excluuing immigration）from<br>\& continuiog io 1976 ．\end{aligned}\) perceot during the five－year span is Within Western Europe，population growth has come to





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eiter either full or part time．Scholarships and financial aid
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 localized.
For more than a decade a number of
large industriat enterprises liave beet large industriat enterprises have bee
working on the technology needed working on the technolngy needed
to retrieve the nodules and extract
their rearals. th reir mieeals. A numbe: of American
companies. including Allantic-Rich companies, including, Allantic-Rich
field, Kennecoit Cuppst, Lookheed,
.
 Stales Steel are involved.
In virtually all cases they are par-
ticipating in in inernatloual consortiums whose goal is to pasfeat the methods. In some cases, once large-seale mining
begins indlvidual companles. or new
consortiums, will probablys do the The testing of small.scale systems
is believed largely complete. but the
livestment needed to inaugurate fulltnvestment needed to inaugurate full-
scale mining wwll probibly not be maioe
until the United Nations Conierence on tie Law of the Sea deternines th ground rules for such eifitsts The ccs:
of a full system, witi ships, mioilis equipment and metal extraction faciiii ties. has been estimated at from $\$ 300$
$10 ~ \$ 5000$ million.
One consortium has laid clalnn to
a rich nodule deposit on the pacifie a rich nodule deposit on the Pacifis floor southeast of Hawainii but the
claim is not recognized by the Depart-
ment of State It was made in 1974 ment of State. It was made in 1974
by Deep Sea Ventures. a consortium
in which Tenneco was the cbief stockholder.
An effort has been made in Congress guarantee of the large investments necessary but this has been opposed
on the ground tbat such a burden on on the ground tbat such a burden on
the taxpayer for corporate profit was inwarranted.
Wonter Sullivan writes ajout science
for The New York Times.

WEEKEND COLLEGE (wèk'end'-kol'ij), $n$ 1. A special feature of Marymount College, Tarrytown, New York, which offers a college degree on a weekend basis. Students attend classes one weekend, followed by two week ends off, based on a trimester arrangement usually with three weeks or so between trihe or she can obtain a bachelor's degree in just two years. 2. Designed for the highly motivated student, the program requires independent study and a willingness to work hard, but the courses available under the areas of con centration. . . Psychology, Business/Economics and Sociology have been known to bend stu dents' minds and expand their horizons forever. 3. Wherever possible, Marymount gives tions, extensive travel, or volunteer work enriched by individual reflection on that experience will also be considered for academic credit. 4. For those interested in the above requirements; willing to arrive on campus in time for dinner on Friday evening, and willing to study through till Sunday afternoon, the College offers many advantages. These are described in its brochure, available by calling or by sending in the coupon below. 5. The next trimester begins January 7, 1977. Regis-
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# Che ATew Hotkeimes <br>  




## 'Faith and Credit'

The unexpected decision of New York State's highest
court invalidating the moratorium on $\$ 1$ billion or more of this city's sbort-cerm notes dramatically underlinesalong:
Despite the enormous progress New York has made
during the past year or more in working its way out of its financial difficulties, the crisis is a cootinuing one, has by no means been finally solved, and will requirc still greater efforts on the part of the city and greater hel
from the Federal Government for its solution. Yet there is every reason to believe that the situation
-so far from being bopeless-is entirely solvahle with--so far from being bopeless-is entirely solvahle without recourse to bankruptcy, but with the application of
additional doses of patience. ingenuity and cooperation additional doses of panence. ingeithin the private sector as well.
The five-to-one decision of the Court of Appeals, written in sharp and sometimes caustic language by the highly respected Chief Judge Charles D. Breitel, requires holders whose payments had been suspended by the moratorium. But at the same time, as the court wisely notes:
"It would serve oeither plaintiff nor the people of the City of New York to precipitately evoke instant judicial proceed into bankruptcy. The stremuous and valiant efforts by the city and state administrations with the aid of the national Government should be given as much eemay as consututional decency permits. certain, but certainy enough- - ust how much is uncertain, but certainly enough-to work out a means of
meeting the ohligations to its oote holders that the court has sternly tirust back on the shoulders of the city. The reaffirmation that the pledge of "faith and credit" is constitutionally protected even under conditions of extreme adversity is a healthy if tough lesson in
public morality: but is is no cause for panic. It may in puiblic morality: but it is no cause for panic. It may in
fact serve the very practical purpose of forcing all of us who are concerned with the survival of New Yorkand, by extension, of all other major cities in this. coun-ry-to come to grips once again with the realities of the
urban crisis. And it should surely in the long run trengthen public confidence in the sanctity of contriacts entered into by instrumeotalities of government.

So far as New York City is concerned, the first and whetber it will affect the continued discretionary loan payments by the Federal Government conditioned on. the ikelihood of repayment. The next such payment, in the ofount of $\$ 200$ million, is scheduled for Dec. 3. Another of $\$ 500$ million is due later that month These loans are
absolutely essential to meet the city's immediate cash needs.
Given the spirit of cooperation that has beeo increasngly evinced in Washington and the extraordinary (and successful) efforts of the city itself to pare its own budget, it is most improbable that at tins juncture the program. But the Breitel decision does make it vital that a new plan be worked out within the very near uture that will enable this mumicipality to meet the The poscibative
The possibibities run all the way from assistance from istration and from Congress for Federal guarantees for municipal bonds.
The problem, serious as it is, can be worked in the egotiatione of the principal figures in the past year's seems anxious to hold this thing together. It's like the attle of Britain-we came through it hefore and we'll do it again." Only this time, New York is in a different position from a year ago: it has a record of sacrifice and ccomplishment that both outgoing and incoming admin And Congress and the country are awvare. more acutely han a year ago, that New York's problem is inextricably other major municipality in the country. The urban problem is, essentially, a $n$ and it will require thoughtful, dispassionate Federal help for its solution.

## Good Start in Italy

Italy's minority Government survived the first critical test in Parliament for its economic austerity program scead of voting "no." Prime Minister Giulio Andreotti had nailed down that imperative absteotioo prior to the the Communist head of italy's largest trade union confederation
It is far from unprecedented for a Christian Demowith the Communists; but the consultation in advance more necessary and more extensive sioce the Communists won 34 percent of the vote in the June election. only four points behind the party that bas headed every Confronted by in ince 1945 .
Confronted by 20 percent inflation. a foreign debt ously depleted currency reserves, Mr. Andreotti had no alternative to imposing austerity measures on a country not noted for fiscal or industrial discipline. Without such actions, Italy would have difficulty ootaining even sonetary Fund let alone the much larger loans it Monetary Fund. let alone the much larger loans it hopes to get from the United States and the European
Community to ease the pressure on its balance of payments. Aodre
ment of advance tax payments, cuts in public spending, and gasoline ines electricity charges, telephone tolls tionary wage boosts. Additional measures will be required by Italy's creditors at some stage; but the Prime this first round accepted by Parriagent even if abstainers outnumbered' supporters.
No ooe knows how long Communist Ieader Enrico serlinguer can hold his parliamentary ranks in line for ostention and his union followers for wage restraint. Though there have been few defections, the policy has created uneasiness among party workers and was
sharply challenged last monith by the party's patriarch, uuigi Longo. Mr. Berlinguer often finds it necessary to warn the Governmeot against taking Communist ooperation for granted and he contiruues to press his proposal for a summit meeting of all parties, except Meanwhie $M$. And Meanwhile. Mr. Andreotti obviously intends to take long-overdue start on economic recovery to make come to Washington next monch to seek help in that ffort, probably in a meeting with Presidentelect Carter as well as President Ford. On his performance thus
far, the Prime Minister deserves a sympathetic hearing.

## Planes in Beirut

 The first civil airliners since last June landed at Beirutiarport this wekend. Both symbolically and practically the landlings represented the nearest approach to normal
conditions that the tortured city has seen in a long time. For Lebanon as a whole, the Syrian occupation-now civil war, at least for the time being. The Palestinians, the Christians and the other factions among the Lebanese inhahitants still nurture their hatreds and mutual sus-
picions, but all have surrendered to the corporate decislon of the most influential Arab nations-particularty Saudi Arabia-that the fighting must stop and that the syrians must be trusted as relatively neutral troops who at tbe least can end the killing.
But each day of comparative quiet in the new Leband the future in the Middle East. Wiill the Syrians try to destroy the belt of friendly Christian-dominated terrinear their border? Will the Palestinians tesume raids against Israel from Lebanon, and if so bow will Jerusalem respond? Do the Syrians intend to annex Lebanon
or is their occupation just a genuioe short-term exped or is their occupation just a genuioe shor-term expedi-
ent that Lebanese President sarkis can end hy ordering Syrian troops out of his country when he deems conditions suitable?
Merely to ask these questions is to underline how
much remains undetermined in Lebanon and in the wider Arab-Israeli confrontation. But at least che restoration of a precarious peace in Lebanon is a reminder that
constant killings among different religions and ideologies are not necessarily an inevitable feature of life in the
Middle East, that most sensitive area of this planet.

## The Wind Tides

Autumn ebbs away into winter, but there is flow
ather than ebb in the unseen wind tides that now lap at the hills and send invisible breakers to hiss softly in che upper woodlands. They are the tides that curl about that obey some subtler master than the moon. Night is the time to hear these, tides, a night when the stars are dimmed by scud that could easily be the
spray of wind waves crowding swiftly one next. You sit beside the open fire and hear the tides sucking at the chimney, hear the swish of their unseen waves breaking against the cormer of the house, feel
the quiver of panes shaken by the breakers the quiver of panes shaken by the breakers. raves, the rusb of one after another in crescendo until the peak has struck its battering blow. Then there is a pause, a gathering of new force, and again that succes-
sion of waves building once more to climactic height and falling away into darkness.
Occasionally you can see, or seem to see, the wind-
tides, breaker-white, at dawn and at dusk. They go rippling through a pasture lot and across an open vith its tall, golden-ripe grass. They swish through the underbrush at the edge of the woodland with the sibilant bow the naked maple tips with the murmuriog hiss of moontides on rocky reefs

Letters to the Editor
Toward a Presidential Amnesty Board
To the Edition




Of Oil and Hypocrisy.
To the Editor:
The resistance to the anticipated
Greases for OPECC oit hy he wiest
surd and bypocritical And the veiled hreats of some kind of :etaliation
Americao private industry bas never made any price reductions of the
slightest consequence to make Western products more accessiole to the aver-
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restricting conditions. Other Western societies bave been consistently mo
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Lebanon's factions with massive xrms Lebanon's factions with massive amm
stipments.and propaganda. Now it is
questionable whether Lebanese or questionable whether Lebanese or
Palestinians will enjoy self-determina-
tion as Lebanon becomes a dependency of Assad's "Greater Syria." Joserf Brandes Professar of Miltiony
College of New Jersey Wulliam Paterson College of New Jersey
Wayne, N.J., Nov, 15,1976

All-American Election

## To the Editor:

The maps showing the geographical distribution of electoral votes, and the

 country, the otther carrterland I think
this 1 , wrong a misraing and
harmulul distortion of our political harmiul distortion of our politica
attitudes, not supported by the de
tailed data now available.
The fact seems to be that the dit The fact seems to be that the dit
ferences im many of the larger swing
areas and states were so slight tha
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Nein The New Arr To the Editor:
Kiour qlowig
Uhevinue, which
deseryed deservine, re, wemphich
must recur to ma
obituaries of in the needed elec
xpensive metho ar bening mport cause a small but pe
in the cost of living.
Some people no doubt feel that the
added cost would be fully justifed in the ioterest of preserving a valuable ocological feature of the remote wild groupp of people has clearly expressed
its unwillinguess to have any part in paying for such ecological improve
ments. I refer tio alt hose employees
who bave insisted through their bar who have insisted through their bar
gaining representatives on the protec (COLA) clauses in their work con One means of assuring that the
economic burden of protacting our en viromment falls more evenly on all sec
tors of our society would be to ex clude from cost-of-living calculation
all those cost incremients that can be attributed to inproving our quality of
life. TT make this procedure more
patatabie to thee average worker
suggest that in lieu of the next cost
oft susgest that in lieu of the next cost-
of-living adjurtient a pressed speci-
men of a furbish lousewort be included in each pay envelope. HENRY Hurwirz JR
Schenectady; N.Y., Nơ. 15, 1976 banon's Loss To the Editor: Lebanon's unfolding tragedy reaches
a climax as Soviet-made Syrian tanks a chimax as soviet-made Syrian tanks
enforce the "peace. Anotior small
democratic nation . Arab worly, loses is independence.
Sifinur loses come to mind. Spain civil war and Czechnsiovakia, Thims of external intervention never
Thistroric ovents are never


##  JoNATHEN B. Rentris, New York, Nov. S, 1976



## Editor ra



## The Southern Baptists

| Foy Valentine | and Southwesterners. Yet we are acpoor, rural and urban, educated and uneducated. Republicans and Demo- |
| :---: | :---: |
|  |  |
| "Wha is Jimmy Carter?" is a complex one that was partly answered by the vaters Noy 2 The question, "Who are | crats, black and white, even Northern and Southern. |
|  |  |
| Southern Baptists?" is an even more comples one thret now requires a specrat, if necessarily partia, answer in |  |
|  | Death" that Christianity begins with |
|  |  |
|  |  |
| Bapptast Cburch or. Plains, Ga, wher the President-efect is a member and teaches a Sumiday school class. |  |
|  | still, <br> just hanoran racticing, real sinners. |
| tains ha | rec deaco |
| reast parily racial No matter thatblacks have attended services' at the chuirch for years. No matter that the peison , primarily involved is not a |  |
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| Baptist. No matter that he is not a resident of the community. No matter |  |
| that both the President-eloct and his opposed racism. No.matter that the chuich has now reversed the descons. |  |
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| The main character in that drama has |  |
|  |  |  |
| least partly racial; and Southern Bap- |  |
| tists are properly questioned abour it |  |
| Who are Southem Baptists? Really? We aite Christians. We have publicly. |  |
|  |  |
| every, one of -us of his own free will |  |
|  |  |
| been baptized as a symbol of our own burial by |  |
|  |  |  |
| the grace of God to the old wife of sin |  |
|  |  |
| We are Baptists. Accopting the Bible |  |
| have a focus on the importance of vol- |  |
|  |  |  |
| about the priesthood of the believer, a |  |
|  |  |  |
| belief in the worth of every individual. |  |
| a concern for both evangelism and ettics, a congregational form of churich |  |
|  |  |  |
| government, a commitment to separa- |  |
| tion of church and state as the surrest |  |
| guarantee of religous liberty, and an understanding that God expects His |  |
|  |  |  |
| changed people to change the world. |  |
| The name Southern Baptist Convention |  |
|  |  |  |
| is a geographical misnomer, for our |  |
| 133 million members ere in more |  |
|  |  |  |
| pletely autonomous charches scattered |  |
| throughout al 50 states. On an average |  |
| Simdiay now, We baptize in our |  |
|  |  |  |
| churches about 8,000 new memberswho have professed faith in jesus. |  |
| We support some $\overline{5}, 000$ missionaries |  |
| at home and abroad. Our churches last |  |
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| \$1. 5 ballion. We wort closely andis sup. |  |
| portively with the Bapist World Alli- |  |
| ance-some 35 million members, in- |  |
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| black Baptists. | sion of the Southern Baptist Conven- |

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oil and gasoline. Fornatural gas and propane. And, importantly, for he petrochemicals out of which e pull products that range from fertilizer to fungicides, from asphalt to plastics.

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[^0]:    by michael kingit
    As the reurns came in on election night and it became
    apparent thal normally Democrictic connecticut was voting
     poititial abserer in Harford: Had Ella Grasso cost the
    Demorats
    Conneticut?
    Had her unpopularity
    extended
    
    
    
     political self-destruction.
    Only tivo vears atter her election by more than 50 per-
    
    
    
     Grasso's case ine problem appears increasingly to be
    oot some flaw in her personality hut rather the abence
     more than 20 years as state and national Democratic
    
     One Disaster to Another
     splin tered the Democratic pary ind soured much of has eiectorate. bur so far has not interiered with the functioning
    of the sase
    government, which in
    connecticut allowed to dos dery much' anyway.
    
    
     programs:
    Mrs. Grasso, however, saw in those budget figures not a surfitus but a deficit estimated as as high as sso million,
    and she cut the buiget. taking aim firt tat the stize
     years under Mr. Meskiil snd had voted for Mrs. Grasso
    with cisions of Democratic sugar plums in their ninds. She called of sis weze freeze.
    But the General Assembly. an overxhemingly Demo-
    cratic boody elected on Mrs. Grassos ${ }^{\circ}$. .oantails by the same urioo votes, refiused to so along, giving Mrs. Grasso her A A few days later however. and after what several orreed ine legisalars to reciciside reversal. That was less than six months strets her inauguration.
     (3) alienated her pary's legislators by her strong-anm
    tactics and by humiliatiog them publicly. The pay freeze was not enough to resolve the deficit
    she envisioned, howeever. and Mrs. Grasso called the legislators into special session in December, 1975 , threatening
    to lay off 500 workers if her program was not nacied. She offted a workers if her program was not nacted.
    She wnite Connecticut's general coffers toe ease the slate's cash flow
    problems and wanted the work week lengthened for state problems and wanted the work week lengthened for state
    employees from 35 J hours
    Gento without extra pay. The
     alienated the unions: (2) additionally. alien ented: the veterans:
    (3) further aliensted the legistators and (4) suffered another defeat. Hh General Assembly reconvened last February:
    Mrs. Grass Mrs. Grasso presented them with the same demands,
    which, were refued agsin, as was almost all of Mrs. orasso's legisiative program that session. The estimate
    of an $\$ 80$ million budget deficit, mesnwhile, began to sbrink as tax revenues exceeded MMs. Grasso's eatrly
    projections and by uly the state was found to bave a
    $\$ 32$ million surplus. Subplots Didn't Help, Either Interwoven with tbis main theme of budget probema
    were several other subplots equally damaging to her poif-
    tical careerer In October. 1975, Mrs. Grasso announced that someooe "in a high political office" was suspected of
    taking a s250.000 bribe to facilitate the State Gaming
    Commission's approval of a jai alai fronton in Brideeport.
    
    
     Simultaneously, there was the involvement of Herman
    Worfer an old friend of Mrs Grasso. in a plan to sell the
    state a 253 -acre park on Lake Candlewood for $\$ 6.6$ million. The plan fell through atter coarges that the figure was
    Thased on a fraudulently inflated appraisal of the land's
     of the Presidential race in convecticul and a primary that
    saw many of Mrs. Grasso's former supporiers backing Mr. Carter while party liberals backed Senator Morris Udall. Mrs. Grasso stood almost alone in her support of Senator-
    Henry Jackson. Mr. Carer won the primary. Senator Jackson received only a handful of votes.
    By the Democratic National By the Democratic National. Conventioo in July, Mrs.
    Grasso had decided to join the Carter force by naming Grasso had decided to join the Carter force by naming
    one of their members, peter c. Keiles. one of eneir members, own appointee, Wiliam ONeill. The
    sacrificin her or
    Connecticut delegation spent most of the convention

